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## China, Peoples Republic of

### Food and Agricultural Import Regulations and Standards

### China Reduces Tariffs on Select Agricultural Commodities

### 2008

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**Report Highlights:**

On May 28, China announced adjustments to import tariffs for six commodities covering 26 tariff lines. Most reductions will come into effect beginning June 1 through December 31, 2008. Agricultural commodities impacted include: pork, frozen cod, pistachios, infant food, select whey and yeasts, soybean and peanut meal, select vegetable oils, and cotton. Lower import tariffs are intended to help meet increasing domestic consumer demand that is fueling high food prices, assist with earthquake relief efforts, and stimulate domestic consumption.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
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Beijing [CH1]  
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On May 28, 2008, China's Ministry of Finance, with approval from the State Council's Tariff Committee, announced adjustments to import tariffs for six commodities. From June 1 – December 31, 2008, reduced import tariffs will impact 26 HS tariff lines including: pork, frozen cod, pistachios, infant food, select whey and yeasts, and soybean and peanut meal. Import tariffs for select vegetable oils will be implemented between June 1 and September 30, 2008. Tariffs are also being adjusted for cotton imports effective between June 5 and October 5, 2008.

Lowering import tariffs on food items such as infant food and olive oil (China is not a major producer of either product) is intended to help satisfy increasing domestic consumer demand without putting a strain on the availability of supplies, and is mostly aimed at ensuring adequate supply for earthquake relief efforts. However, lower tariffs are also expected to alleviate increased transportation costs resulting from high fuel prices, and stimulate domestic consumption. In addition, adoption of tentative variable tariffs on out-of-quota cotton imports is expected to supplement China's tight cotton supply in advance of the domestic harvest. (See appendix for product - specific tariff reductions and effective time periods).

Tariffs are also being reduced for non-agricultural products like blood albumin, vaccines, and medication and are intended to increase supplies of these items following the May 12 earthquake in Sichuan Province.

An unofficial translation follows.

Begin Unofficial Translation:

**Notice of the State Council Tariff Committee on Adjustment of Tentative Import Tariffs for Certain Commodities**

TC No.21 (2008)

May 28, 2008

The General Administration of Customs reviewed and approved in the first session of the State Council Tariff Committee, and ratified by the State Council, the import tariffs for 26 commodities under six categories have been adjusted and notified as follow:

**1. Food**

A tentative import tariff of six percent shall be applied to frozen pork; tentative tariffs of two to ten percent shall be applied to frozen cod, pistachios, infant foods, whey and yeasts under nine HS Codes shall be implemented.

**2. Vegetable oil**

A tentative import tariff of five percent shall be implemented on olive oil and coconut oil between June 1, 2008 and December 31, 2008.

**3. Feed**

A tentative import tariff of two percent will be adopted on soybean meal and peanut meal.

**4. Blood albumin and vaccine for human medicine**

A tentative zero import tariffs will be applied to blood albumin and vaccines for human medicine under four HS Codes.

**5. Cotton**

Variable tariffs will be adopted on out-of-quota cotton imports between June 5, 2008 and October 5, 2008. For cotton with high import prices, the volume-based tariff will be lowered from U.S. \$81/MT to U.S. \$51/MT. The tariff will resume to current levels on October 6, 2008.

6. Adjustment of tentative import duties on commodities under other three HS Codes.

Marble and travertine cut by sawing or otherwise in blocks or slabs of rectangular shape will use zero tariffs; import tariffs on electrode paste under HS Code 38249099 will be tentatively adjusted; import tariffs on video recording or reproducing apparatus of broadcast quality will be adjusted as well.

The aforementioned adjustments will be effective between June 1, 2008 and December 31, 2008 (except for cotton and vegetable oils). See attached details of the adjustments on the 5 categories of commodities.

**Appendix:**

**Tentative import tariff adjustment table for 5 categories of commodities**

Serial No.	HS Code	Commodity	Tariff prior to adjustment (%)	Tariff after adjustment (%)	Category
1	02032200	Ham, shoulders and cuts thereof (swine), with bone in, frozen	12	6	Section I: food
2	02032900	Other meat of swine, frozen	12	6	
3	03035200	Cod (Gadus morhua, Gadus ogac, Gadus macrocephalus), excluding livers and roes, frozen	10	5	
4	03037200	Haddock, frozen	12	5	
5	03037300	Coalfish, frozen	12	5	
6	04041000	Whey and modified whey	6	2	
7	08025000	Pistachios	10	5	
8	19011000	Preparations for infant use, put up for retail sale	15 (tentative 10)	5	
9	19019000	Malt extract and other food preparations of flour, groats, meal, starch or malt extract, not elsewhere specified or included	10	5	
10	21021000	Active yeasts	25	10	
11	21022000	Inactive yeasts; other single-cell micro-organisms, dead	25	10	
12	15091000	Olive oil and fractions, virgin	10	5	Section II: edible vegetable oil
13	15099000	Olive oil and fractions, refined	10	5	
14	15100000	Other oils and their fractions, obtained solely from olives	10	5	

15	15131100	Coconut oil and its fractions, crude oil	9	5	
16	23040010	Oil-cake resulting from the extraction of soybean oil	5	2	Section III: soybean meal and feed
17	23040090	Other solid residues resulting from the extraction of soybean oil	5	2	
18	23050000	Oil-cake and other solid residues resulting from the extraction of groundnut (peanut) oil	5	2	
19	30021000	Antisera and other blood fractions and modified immunological products, whether or not obtained by means of biotechnological processes	3	0	Section IV: blood protein and vaccine
20	30022000	Vaccines for human medicine	3	0	
21	30029040	Genetics material and gene-modified organism	3	0	
22	30029090	Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses; other toxins, cultures of micro-organisms, (excluding yeasts) and similar products	3	0	
23	52010000	Cotton, not carded or combed	See Note 2	See note 2	Section V: cotton

Note:

1. Tentative import tariffs, except for cotton (item 23) and coconut oil and olive oil (items 12-15), shall be implemented between June 1, 2008 and December 31, 2008.
2. Cotton (item 23) tentative tariffs are specified as below:  
Tentative variable tariffs shall be applied to cotton imports out of TRQ between June 5, 2008 and October 5, 2008. For details, refer to formulas below:
  - 1) A volume-based tariff of U.S. \$51 per MT (currently U.S. \$81 per MT) shall apply when import prices are no less than U.S. \$1,702 per MT (currently U.S. \$1,628 per MT).
  - 2) Tentative tariffs shall follow the follow formula  

$$R_i = 8.868/P_i + 2.526\% \cdot P_i^{-1}$$
 (result to be rounded to 3 digits after decimal)  
 "R<sub>i</sub>" refers to tentative tariff. When the value is higher than 40 percent resulting from the formula, the tentative tariff (R<sub>i</sub>) of 40 percent shall apply.  
 "P<sub>i</sub>" refers to import price.
3. Tentative import tariffs for coconut oil and olive oil (items 12-15) shall be implemented between June 1, 2008 and September 30, 2008.
4. Tariff adjustments in the above table apply to all commodities under the said HS Codes.